

## **Soc. Sec. Act §1923(c),**

### **DSH - PAYMENT ADJUSTMENT**

**[42 U.S.C. §1396r-4(c)]**

**PAYMENT ADJUSTMENT 1923(c)** Subject to subsections (f) and (g) in order to be consistent with this subsection, a payment adjustment for a disproportionate share hospital must either --

**1923(c)(1)** be in an amount equal to at least the product of (A) the amount paid under the State plan to the hospital for operating costs for inpatient hospital services (of the kind described in section 1886(a)(4)), and (B) the hospital's disproportionate share adjustment percentage (established under section 1886(d)(5)(F)(iv));

**1923(c)(2)** provide for a minimum specified additional payment amount (or increased percentage payment) and (without regard to whether the hospital is described in subparagraph (A) or (B) of subsection (b)(1)) for an increase in such a payment amount (or percentage payment) in proportion to the percentage by which the hospital's Medicaid utilization rate (as defined in subsection (b)(2)) exceeds one standard deviation above the mean Medicaid inpatient utilization rate for hospitals receiving Medicaid payments in the State or the hospital's low-income utilization rate (as defined in paragraph (b)(3)); or

**1923(c)(3)** provide for a minimum specified additional payment amount (or increased percentage payment) that varies according to type of hospital under a methodology that --

**1923(c)(3)(A)** applies equally to all hospitals of each type; and

**1923(c)(3)(B)** results in an adjustment for each type of hospital that is reasonably related to the costs, volume, or proportion of services provided to patients eligible for medical assistance under a State plan approved under this title or to low-income patients,

except that, for purposes of paragraphs (1)(B) and (2)(A) of subsection (a), the payment adjustment for a disproportionate share hospital is consistent with this subsection if the appropriate increase in the rate or amount of payment is equal to at least one-third of the increase otherwise applicable under this subsection (in the case of such paragraph (1)(B)) and at least two-thirds of such increase (in the case of such paragraph (2)(A)). In the case of a hospital described in subsection (d)(2)(A)(i) (relating to children's hospitals), in computing the hospital's disproportionate share adjustment percentage for purposes of paragraph (1)(B) of this subsection, the disproportionate patient percentage (defined in section 1886(d)(5)(F)(vi)) shall be computed by substituting for the fraction described in subclause (I) of such section the fraction described in subclause (II) of that section. If a State elects in a State plan amendment under subsection (a) to provide the payment adjustment described in paragraph (2), the State must include in the amendment a detailed description of the specific methodology to be used in determining the specified additional payment amount (or increased percentage payment) to be made to each hospital qualifying for such a payment adjustment and must publish at least annually the name of each hospital qualifying for such a payment adjustment and the amount of such payment adjustment made for each such hospital.